



# END-USER HALF YEARLY REPORT

January – June 2014

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## 2. INTRODUCTION

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One of the main objectives of the Malta Communications Authority (hereafter “MCA” / “the Authority”) is to safeguard the interests of end-users in the electronic communications (“ECS”), postal and e-Commerce sectors.

The MCA monitors the sectors it regulates to identify areas of concern and undertakes the necessary regulatory action to address such issues. In so doing, the Authority ensures that service providers comply with their obligations at law and that end-users are provided with up to date information on their rights and obligations when using any communication services.

In addition to the above, the MCA also provides assistance to those end-users who encounter difficulties while using any of the services within its purview. In particular, if the end-user is not satisfied with the remedy provided by his service provider, the end-user may lodge his complaint with the MCA.

The extent of the action the MCA can take in relation to a complaint, depends on the particulars of the complaint and the MCA's relevant legal powers. In instances where we cannot formally intervene, we try to mediate between the complainant and the service provider. Failing that, we will suggest alternative courses of action by referring the complainant to the appropriate forum where he/she may lodge his/her complaint.

We also receive a number of enquiries from end-users in relation to the services we regulate. We make every effort to provide end-users with the requested information in a timely manner. Alternatively, when such requests do not fall directly within MCA's remit, we assist end-users by directing them to the appropriate body.

More information on MCA's complaint and enquiry procedure is available [here](#).

### **3. PURPOSE**

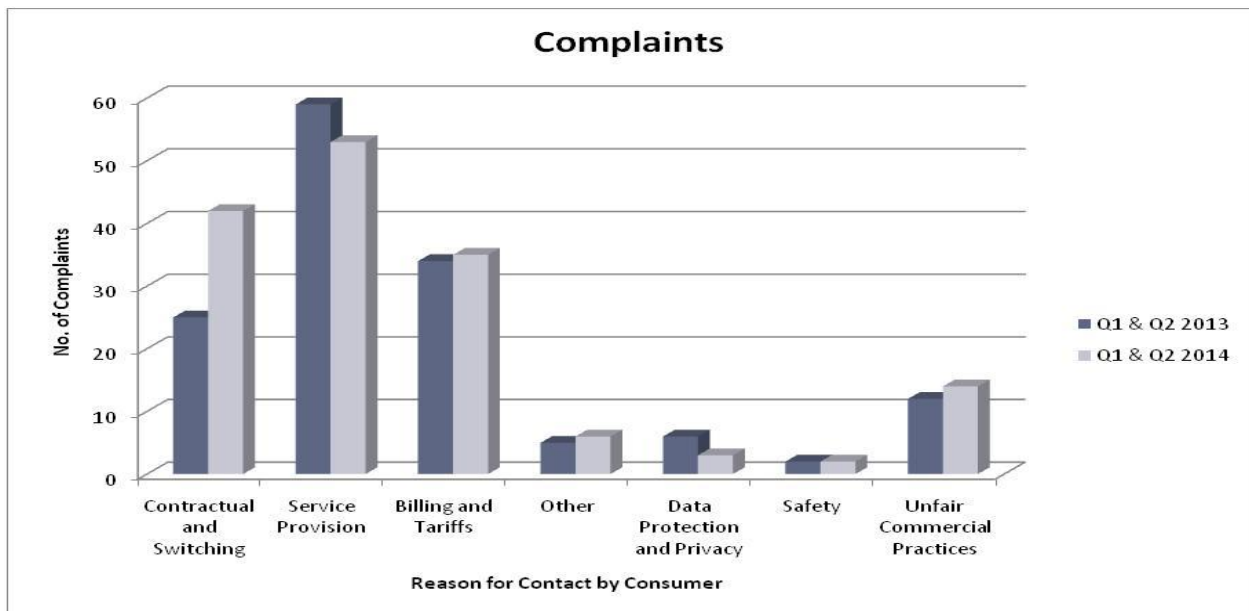
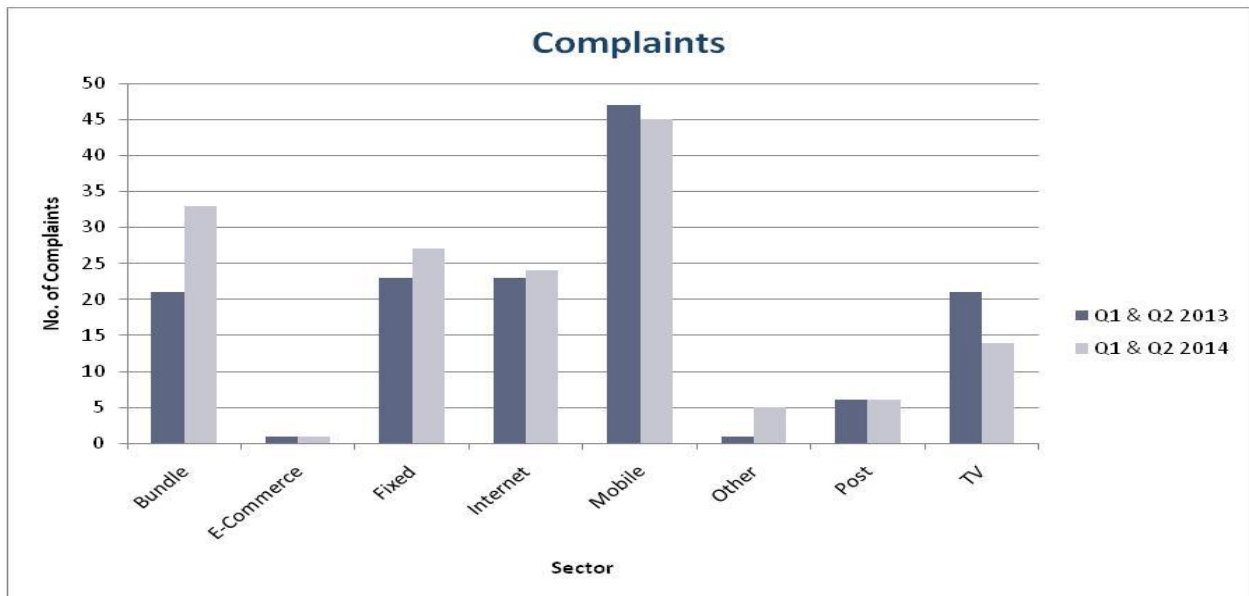
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This report provides an analysis of the complaints received by the Authority during the first half of 2014 and also provides information on enforcement actions and related monitoring activities undertaken by the MCA during this period.

The MCA considers that the publication of this information raises awareness on consumer tools and rights in the sectors regulated by the MCA while also highlighting those practices which may be creating difficulties for end-users and which will be closely monitored by the MCA. The MCA also believes that this data may be of interest to intermediaries such as consumer groups and journalists who seek to advise and inform end-users about their rights.

## 4. STATISTICS

Between January and June of this year, the MCA received a total of 155 complaints. The following tables provide statistical information on the complaints (segmented by sector and issue) received by the MCA in the first half of 2014 compared to the same period in 2013. In the first half of 2014, the MCA also received 137 enquiries and requests for information on matters related to the sectors it regulates.

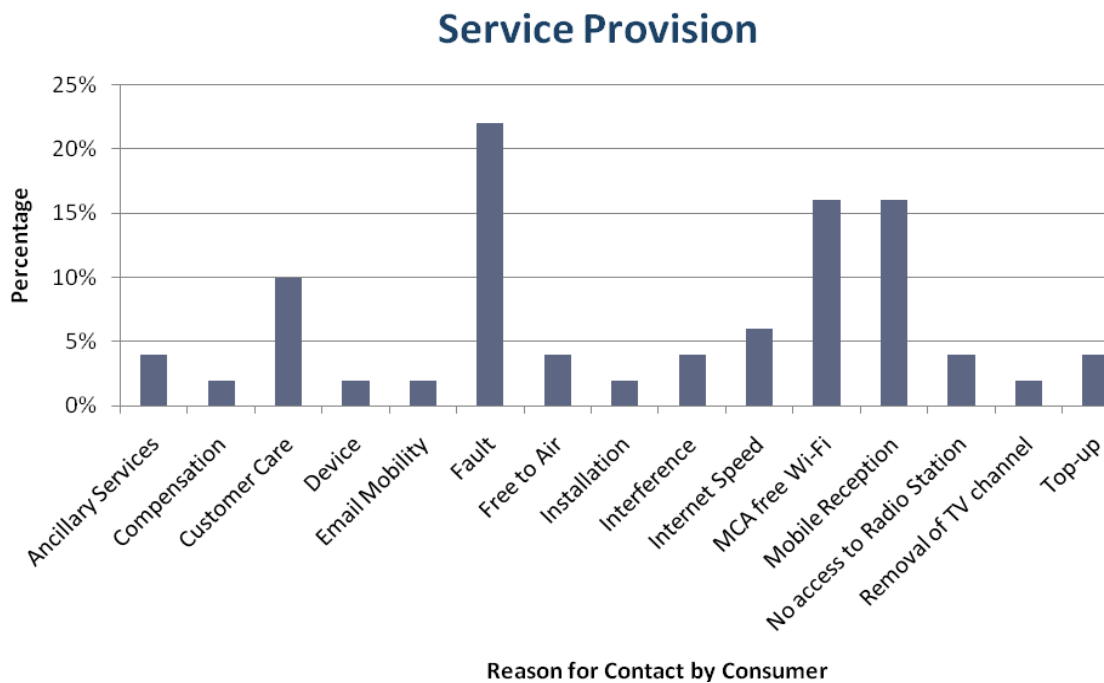


## 5. ELECTRONIC COMMUNICATIONS SERVICES

The complaints raised during the first half of 2014, relate predominantly to service provision, contractual issues and applicable charges and billing.

### 5.1 Provision of Service

Between January and June 2014, the MCA received a number of complaints regarding repairs of intermittent and temporary faults. Other claims received related to mobile reception and the MCA's free Wi-Fi spots.



### Faults

In the first half of 2014, the MCA received a number of claims regarding faults to fixed telephony (8 complaints), internet (2 complaints) and TV services (1 complaint). There is a range of factors that could

lead to such faults, including damages to the service provider's infrastructure, damages to the residence's internal wiring or damages to the CPE<sup>1</sup>.

The damages could be caused by degradation, misuse, force majeure or third party disturbance. The timeframes for the full restoration of the service/s depend on the severity of the fault. Such faults are directly addressed by the service provider. The Authority deals with such cases by monitoring the actions undertaken by the service provider to ensure that faults are repaired at the earliest possible. In this respect, service providers are required to include the timeframes for the restoration of service following a fault in their subscriber contracts. In those cases investigated by the MCA where it was evident that the fault was not caused by force majeure, subscribers were provided the applicable compensation in line with the refund schemes committed by service providers in their subscriber contracts.

### **Mobile Reception**

The Authority has also registered some complaints on poor mobile reception. The majority of these complaints are related to indoor mobile reception. Coverage inside buildings can be more limited than outside because the building acts as a shield to mobile signals.

[Radio frequency licences](#) granted for the provision of mobile services, put specific roll-out obligations on licence holders (i.e. operators). In this respect, there are two licence types which are granted and which impose certain outdoor mobile coverage conditions to be met by the licencees. Measurements carried out by the MCA on mobile networks confirmed that operators are compliant with these obligations.

Notwithstanding the above, when subscribers experience significant indoor mobile reception problems, for example from those locations they regularly frequent (such as their place of work or their residence) the MCA attempts to mediate between both parties to find a solution in an amicable manner. The MCA is glad to note that in the cases reported to it, when service providers were unable to solve the problem, subscribers were provided the opportunity to terminate their contract and port their number to an alternative service provider.

Mobile signals vary from one service provider to another. Subscribers may therefore consider purchasing a pre-paid SIM card before entering into a contractual agreement with a new service provider so that they can test the reception available in a particular area and/or residence. Additionally, subscribers may also enquire with friends and colleagues about their experiences of using mobile services from certain locations which are regularly frequented.

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<sup>1</sup> Customer Premises Equipment

### **MCA Free Wi-Fi**

In collaboration with other entities, the MCA manages a number of Wi-Fi spots around Malta and Gozo which are set-up at locations most frequented by the general public. The project is intended to promote the usage of internet by means of portable devices such as laptops, netbooks, tablets and mobile phones, away from home or the place of work. The MCA received some claims from end-users who were encountering difficulties in using and accessing such Wi-Fi spots. Any issues reported to the MCA were addressed in the shortest timeframe possible. The MCA also assisted end-users contacting us on this subject by providing the necessary feedback.

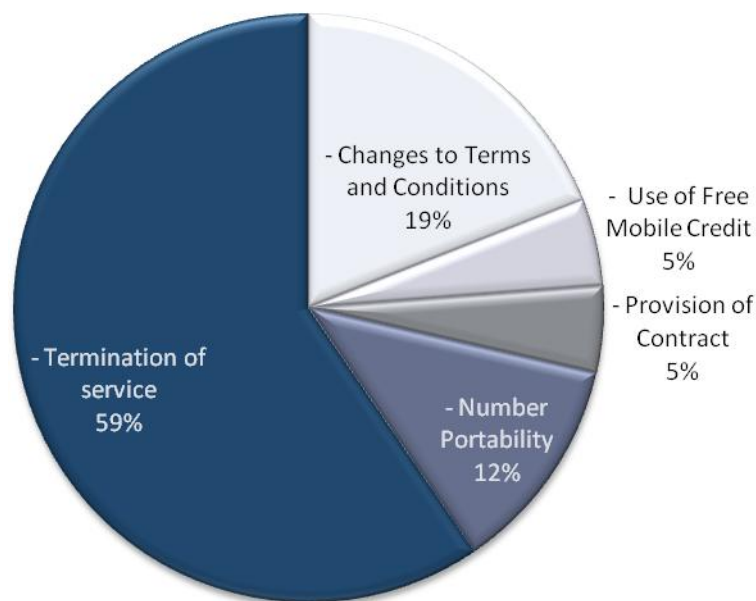
In 2013, the MCA launched a free application, “MCA Malta Free Wi-Fi”, which is aimed at making it simpler to locate the free Wi-Fi hotspots. The application also shows the closest hotspot in relation to the user’s current location. It can be downloaded for free from Google Play and it is currently available for devices running Android. More information on [MCA’s free Wi-Fi spots](#) is available on the MCA’s website.



## 5.2 Contractual and Switching

The most common complaints of a contractual nature received by the Authority related to the termination of a service/s. Other complaints received related to modifications implemented by service providers to the terms and conditions of subscriber contracts.

### Contractual



#### Termination of services

In the majority of the cases investigated by MCA, contractual issues resulted to be the main issue that caused difficulties to subscribers wanting to terminate their services. In particular, subscribers need to be aware of the following conditions that could be applicable:

1. Early termination fees (these are applicable when a consumer subscribes to a definite package and decides to terminate the package prior to its expiry);
2. The requirement to inform service providers thirty (30) days in advance of the intention to terminate a service; and
3. The requirement to return any equipment leased to subscribers back to the service provider.

In some of the cases reported to the MCA, subscribers who requested the termination of a service/s were not aware of some of the above conditions. In particular subscribers were not aware of the applicable early termination fees.

On the other hand, in those cases where it appeared that the procedure for termination of service/s was not adhered to by the service provider, the Authority intervened in order to ensure that the service/s was/were successfully terminated. In this regard, the MCA is responsible to ensure that service providers follow their own termination procedures when subscribers request the termination of a service/s. The MCA is also empowered to take regulatory action when service providers do not comply with such procedures. As a case in point, recently, the MCA found Melita to have acted in breach of the law when it did not action a subscriber's request to terminate a service in line with its own procedure. As a result, the MCA imposed an administrative fine and warned Melita that it would be closely monitoring the situation to ensure that such procedures are being adhered to.

The Authority also received a few complaints from end-users regarding delayed porting. In most of the cases investigated by the MCA, the porting request was denied because of inaccurate information provided in the porting form or because of unsettled dues with the donor service provider<sup>2</sup>. The MCA guided end-users on the steps that were required to be taken to complete their porting within the shortest timeframe possible.

The MCA encourages members of the public to contact the Authority in the event that they encounter any difficulties with terminating or switching their service/s. More information on termination and number portability is available in the [FAQ section](#) on MCA's website.

### **Modifications to the Terms and Conditions of Subscriber Contracts**

During the first half of 2014, a number of service providers proposed changes to some of their subscriber contracts. This resulted in a number of claims lodged with the MCA. Although such changes are not subject to approval by the MCA, in such instances, in line with the relevant legal provisions<sup>3</sup>, service providers are required to notify impacted subscribers in writing at least thirty (30) days prior to the implementation of such changes. Furthermore, subscribers must be provided the option to exit the contract without incurring any penalty fees. The MCA notes that the notification process undertaken by service providers complied with the above mentioned legal obligations.

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<sup>2</sup> The operator providing the service to a subscriber before the number is ported to another operator.

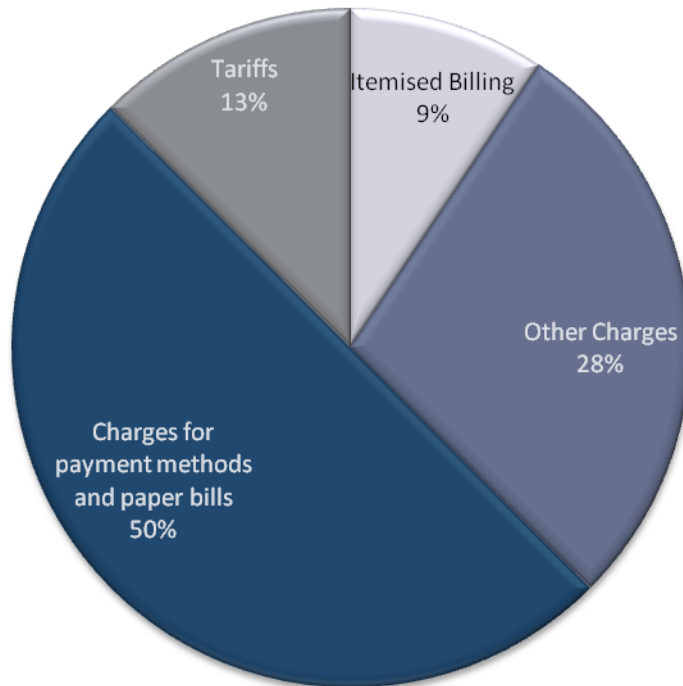
<sup>3</sup> Article 20 (2) of Directive 2002/22/EC, of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive).

More information on modifications to the terms and conditions of subscriber contracts is available in the [FAQ section](#) on MCA's website.

### ***5.3 Billing, Charges and Tariffs***

The most common type of billing complaints received by the Authority related to charges applied by service providers to subscribers who opt to effect payment of their bills by alternative means other than direct debit.

## **Billing, Charges and Tariffs**



### **Payment Method and Bill Charges**

A number of packages being launched by service providers are including clauses in the applicable terms and conditions, specifying that additional fees apply in instances where subscribers opt to:

- i. effect payment via alternative means other than direct debit; and
- ii. receive their standard bill in hard copy format.

The MCA is concerned that such practices could negatively impact the most vulnerable groups of our society. Having said this, under the current legal framework, this practice, does not breach any of the laws administered by MCA. As such the MCA cannot take any legal action against service providers applying such charges. Nevertheless, the Authority is responsible to ensure that such charges are clearly listed in subscriber contracts. The MCA has recently undertaken an exercise to review the terms and conditions of service providers applying such charges in order to ensure that these are in compliance with the relevant legal provisions.

The MCA will be closely looking into this matter and will also be liaising with other competent authorities to assess whether new measures are required to ensure that these charges are applied in a fair and justified manner.

### **Other Billing Complaints**

Other complaints of a billing nature related to fees charged with respect to late payment of bills and repair of faults.

Service providers may, in line with the applicable laws, take action/s when subscribers fail to pay their bills. Such actions could include disconnection or suspension of the service/s; the imposition of late payment fees; and the application of interests on outstanding fees. Subscribers must also be aware that fees may be applicable for the repair of faults originating in the equipment owned by the subscriber. When investigating these cases, the Authority verifies that the service provider followed the procedures set out in the subscriber's contract and that the charges in the invoices are justified and correct.

The MCA also received a few claims regarding unclear and unjustified billing. The MCA closely monitored these cases and ensured that the operator provided the necessary clarifications when billing details were unclear. In those cases where a charge was not justified, the Authority ensured that such charges were waived.

#### ***5.4 Unfair Commercial Practices***

During this period, the MCA also received a number of claims regarding practices into which the MCA has no legal power to intervene. The majority of these cases related to unsolicited calls.

Although these practices may involve operators providing services in the sectors regulated by the MCA, the MCA does not have the legal power to address these issues. Notwithstanding this fact, the MCA has guided end-users complaining on this matter, on the courses of action available to them as follows:

- When receiving telesales calls from an identified company, end-users have a right to request that company to desist from contacting him/her again. If such calls persist, end-users are encouraged to file a claim with the [Malta Competition and Consumer Affairs Authority \(MCCAA\)](#) and/or the [Office of the Information and Data Protection Commissioner](#).
- When consumers regularly receive calls which cannot be traced to a particular company / individual or receive calls which are ended by the calling party before any conversation occurs, end-users may file a report with the Police.

## 6. POST

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The MCA regulates the postal sector and ensures that postal services are available throughout the Maltese Islands. The Authority handles complaints related to postal services and seeks to provide redress when end-users encounter any difficulties. The main type of complaints received by the Authority in the first half of 2014 related to non-delivery of standard and registered mail.

As opposed to registered mail, ordinary mail does not provide tracking services and therefore when such mailed items are delayed or lost they are very difficult to trace. Having said that, the loss or delay of the delivery of ordinary or registered mail could entitle consumers to a form of compensation. It is important to note that any compensation awarded to customers does not cover the value of the contents in the postal article. When posting any articles, consumers may consider insuring the content of their postal article. More information on compensation provided by MaltaPost is available on [MaltaPost's website](#).

Notwithstanding the above, MaltaPost, being the designated Universal Postal operator, must deliver ordinary mail post in accordance with the following obligations, as established in the MCA's Decision on the [Measurement of the Quality of Postal Services](#):

- Local mail posted before 1900hrs between Monday and Friday and 1500hrs on Saturdays must be processed on the same day and delivered on the following working day.
- Outbound international mail that is posted before 1900hrs between Monday and Friday and before 1500hrs on Saturday in the Maltese Islands is collected, processed and dispatched to its destination (loaded on aircraft) on the following working day to any EU country, Australia, Canada, USA, Brazil, Israel, Japan, Ukraine, Iceland, Switzerland and New Zealand and following three working` days for all other countries.
- Inbound cross-border mail arriving at MaltaPost's office of exchange before 19:00 hrs between Monday to Friday and 15:00 hrs on Saturdays is to be processed on the same working day.

In addition to the above, with regard to the delivery of local ordinary mail, bulk mail and local registered mail, the MCA sets a series of QoS standards that MaltaPost, being the Universal service provider, is required to achieve. These include a next day delivery QoS performance target of 94% for local ordinary mail and bulk mail and a next day delivery QoS performance target of 98% for registered mail.

Performance measurement is carried out annually in accordance with European Standards by an independent organisation appointed by MaltaPost. In addition to this, the MCA carries out an annual audit on the methodology employed by the independent organisation responsible for carrying out the performance monitoring studies. The latest study carried out by the independent auditor, indicates that

last year, MaltaPost exceeded all the QoS targets described above. More statistical information on the latest [postal market review](#) is available on MCA's website.

## 7. eCommerce

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The MCA is also the statutory body responsible for the regulation of eCommerce. It is responsible for ensuring that local traders who sell goods and/or services online comply with the legal obligations set out in the eCommerce Act and Regulations. These mainly refer to the information that a trader has to make available on the website. In addition, the Authority also assists and provides information to local traders who intend to set up their own online business, about the steps to follow to facilitate such process. More information on this subject is available in the [“MCA's e-Commerce Guides for Businesses”](#) published on MCA's website.

During the first half of 2014, the MCA received one complaint from a consumer who purchased a good over the internet from a foreign seller within the European Union. The MCA referred the consumer to the [European Consumer Centre](#) (“ECC Malta”) which is the entity responsible to provide information and assistance to consumers when purchasing goods or services from another EU Member State.

## 8. MCA INITIATIVES

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### *8.1 Participation in the Annual Trade Fair*

Between the 26<sup>th</sup> of June and the 6<sup>th</sup> of July 2014, the MCA participated at the National Trade Fair, during which the Authority provided information to consumers on how to identify the communications package that is most suited to their individual needs. The MCA also took this opportunity to promote the various tools available to consumers such as the [telecosts.com](http://telecosts.com) price comparison portal as well information on consumer's rights in the communications sector. More information on MCA's participation is available on [MCA's website](#).

### *8.2 Roaming Campaign*

In June 2014, the MCA embarked on a campaign to promote the new tariff reductions introduced by means of the EU roaming regulations.

As from the 1st of July 2014, in line with the roaming regulations, the cost for making a call while roaming in an EU country was reduced from 29c2 to 23c1 per minute (inc. taxes) whilst the cost for receiving a call while roaming in an EU country was reduced from €8c5 to €7c3 per minute (inc. taxes). When roaming in an EU country sending an SMS now costs €7c3 (inc. taxes) and data usage is charged at a maximum rate of 24c3 per megabyte.

Along the years, several transparency measures were also introduced to ensure that subscribers are adequately informed on roaming charges for calls, SMSs and the use of data services

Further information on subscriber rights and obligations while roaming in an EU country is available in the [FAQ section](#) on MCA's website.